

MITCHELL DECLERCK

ATTORNEYS AT LAW
FOUNDED 1906

202 WEST BROADWAY AVENUE
ENID, OKLAHOMA 73701
580.234.5144
800.287.5144
FAX 580.234.8890

ENID OFFICE

LARRY D. LAHMAN, P.C.
DAVID C. BUTLER (ALSO LICENSED
IN NORTH DAKOTA)
MICHAEL C. BRIDGEMAN
TIM E. DECLERCK
P. JOHN HODGSON (ALSO LICENSED
IN TEXAS AND COLORADO)
FORREST L. PETER DEVAUGHN, P.C.
ROGER L. FUGER, P.C.
MICHAEL J. KELLY (ALSO LICENSED
IN MONTANA)
OF COUNSEL
L. W. "BILL" SHAW
CAROL H. LAHMAN

OKLAHOMA CITY OFFICE

7 MICKEY MANTLE DRIVE, SUITE 377
OKLAHOMA CITY, OKLAHOMA 73104

OF COUNSEL
MURRY J. PARRIN, P.C.

P.C. NUMBER: 1900-1962

LARRY D. LAHMAN, 1975

FORREST L. PETER DEVAUGHN, 1916-2002

LARRY D. LAHMAN, 1924-2010

RECORDATION NO. **38307** FILED

JUL 20 12 - 10 15 AM

LAND & TRANSPORTATION BOARD

WWW.VRITER'S EMAIL: ENID@MIDWEST.COM

July 9, 2012

Chief - Section of Administration
Office of Proceedings
Surface Transportation Board
395 "E" Street S.W.
Washington, D. C. 20423

Dear Section Chief:

Enclosed for recordation pursuant to the provisions of *49 U.S.C. §11301(a)* are two (2) originals and one (1) copy of a Memorandum of Security Agreement and Leases Assignment dated as of June 20, 2012, a primary document as defined by the Board's Rules at *49 CFR §1177.1*.

The names and addresses of the parties to the enclosed document are:

Lender/Secured Party: Central National Bank & Trust Company of Enid
102 North Main
Blackwell, Oklahoma 74631

Borrower: Northern Illinois & Wisconsin Railway Corporation
6521 Old State Road
Edinboro, Pennsylvania 16412-9767

A description of the collateral covered by the enclosed document is:

11 locomotives, 5 locomotive leases.

A short summary of the document to appear in the index is:

Security Agreement and Leases Assignment.

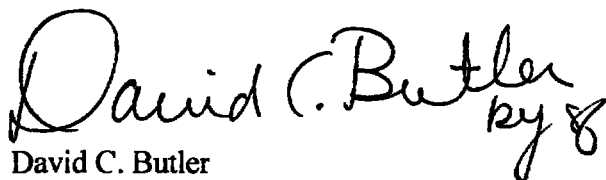
Chief - Section of Administration
Office of Proceedings
Surface Transportation Board
July 9, 2012
Page 2

Also enclosed please find a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return a file-stamped copy of the enclosed document to this office in the enclosed prepaid envelope.

Sincerely,

MITCHELL DECLERCK


David C. Butler

DCB/sf

Enclosures

cc w/enc.: Central National Bank
& Trust Company of Enid
ATTN: Spike Henderson
102 North Main
Blackwell, Oklahoma 74631

dcblcnblloan\no. ill\board.it

JUL 20 '12 - 10 15 AM

**MEMORANDUM OF SECURITY AGREEMENT
AND LEASES ASSIGNMENT****SURFACE TRANSPORTATION BOARD****LOCOMOTIVES AND LOCOMOTIVE LEASES****Loan No: 3027082**

1. This Memorandum of Security Agreement and of Leases Assignment is dated as of this 20th day of June, 2012, by and between CENTRAL NATIONAL BANK AND TRUST COMPANY OF ENID, 102 North Main, Blackwell, Oklahoma 74631 as Lender and Secured Party (hereafter "Lender"), and NORTHERN ILLINOIS AND WISCONSIN RAILWAY CORPORATION, 6521 Old State Road, Edinboro, Pennsylvania 16412-9767 (hereafter "Borrower").

2. Lender and Borrower entered into that certain Promissory Note, Loan Agreement, Assignment of Rental Payments and Leases, and Security Agreement all dated June 20th, 2012, covering locomotive equipment (the "Locomotive Collateral") and Locomotive Leases (the "Lease Collateral") as listed on Schedule "A" attached hereto. It is the intent of the parties that any future leases of the Locomotive Collateral, whether or not shown on or added to Exhibit A to this Memorandum, shall be included within the Security Agreement as Lease Collateral.

3. The parties intend this Memorandum as evidence of the existence of the Loan Agreement and Security Interest and Leases Assignment, and to evidence the lien of Lender in the Locomotive Collateral and Lease Collateral owned by Borrower, and the parties have executed this Memorandum as evidence of the Agreements and of the lien of Lender in the Locomotive Collateral and Lease Collateral.

4. In consideration of the loan advanced by Lender to Borrower, the receipt of which is hereby acknowledged by Borrower, Borrower hereby grants to Lender a lien and security interest in the Locomotive Collateral identified on Schedule "A" attached hereto, and the present Lease Collateral on Schedule "A" attached hereto, and all subsequent, new or renewal Leases hereafter entered by Borrower as Lessor with respect to the Locomotive Collateral, during the term of the Loan Agreement, including all extensions, or renewals thereof, all in accordance with the Loan Agreement, Security Agreement, and Leases Assignment between the parties.

5. The Loan Agreement, Security Agreement, and Leases Assignment were entered into by and between the parties in and pursuant to the laws of the State of Oklahoma.

CENTRAL NATIONAL BANK
AND TRUST COMPANY OF ENID,
a national banking association

by: Spike Henderson
Spike Henderson, Market President

NORTHERN ILLINOIS & WISCONSIN
RAILWAY CORPORATION,
an Illinois corporation

by: John K. Howell Jr.
John K. Howell, Jr., President

STATE OF OKLAHOMA]
] ss:
COUNTY OF KAY]

Before me, a Notary Public in and for said County and State, on this 25th day of June, 2012, personally appeared Spike Henderson, to me known to be the identical person who subscribed the name of Central National Bank and Trust Company of Enid, a national banking association, to the foregoing instrument as its Market President, and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

Monica Mayer
NOTARY PUBLIC

My Commission Expires:

3/29/13

Commission Number: 01005404



STATE OF PENNSYLVANIA]
] ss:
COUNTY OF Erie]

Before me, a Notary Public in and for said County and State, on this 21 day of June, 2012, personally appeared John K. Howell, Jr., to me known to be the identical person who subscribed the name of Northern Illinois & Wisconsin Railway Corporation, an Illinois corporation, to the foregoing instrument as its President, and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

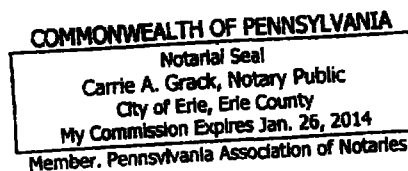
Carrie A. Grack
NOTARY PUBLIC

My Commission Expires:

JAN 26, 2014

Commission Number:

[SEAL]



SCHEDULE "A"
TO
MEMORANDUM OF SECURITY AGREEMENT AND LEASES ASSIGNMENT
Loan No. 3027082

Loan Agreement dated June 20th, 2012 between CENTRAL NATIONAL BANK AND TRUST COMPANY OF ENID as Lender and NORTHERN ILLINOIS & WISCONSIN RAILWAY CORPORATION as Borrower:

LOCOMOTIVE COLLATERAL

Primary Locomotive Collateral:

Two (2) Diesel Electric Locomotives described as follows:

1. 1995 P & PU #800
Model SC14A-3
Engine Serial Number 49Y00568
Built 1995
Engine CAT 3512
2. 1995 P & PU #801
Model SC15-C
Engine Serial Number 2WK00039
Built 1995
Engine CAT 3512

Additional Locomotive Collateral:

Nine (9) Diesel Electric Locomotives described as follows:

1. NIWX 375
General Motors Electro-Motive Division (EMD)
Model SD45
Serial Number 33857
Built January, 1968
Engine 20-645-E3 – 7 power assemblies August, 2008

2. NIWX 629
Montreal Locomotive Works (MLW);
Remanufactured by British Columbia Railroad
Model RS18 as manufactured; CRS-20 after remanufacture
Serial Number M3460-02
Built 1966
Remanufactured 1994
Engine Caterpillar 3516
3. NIWX 815
EMD
Model GP30
Serial Number 28309
Built April, 1963; refurbished by Midwest Locomotive
Services, Kansas City, Missouri May, 2004
Engine 16-567-D3, s/n 63-H-2R
4. NIWX 907
EMD
Model GP9
Serial Number 25439
Built June, 1959
Engine 16-567-C, s/n 64-J3-7003
5. NIWX 1617
EMD
Model GP7
Serial Number 18977
Built December, 1953
Engine 16-567-B
6. NIWX 2581
EMD
Model SW1500
Serial Number 35759
Built January, 1970
Engine 12 cylinder 645-E, s/n 69-M2-1060

7. NIWX 2891
EMD
Model SD40T-2
Serial Number 756046-7
Built July, 1975
Engine 16-645-E3B, s/n 74-M1-1143
8. NIWX 8924
EMD
Model SD45
Serial Number 37715
Built September, 1971
Engine 20-645-E3
9. NIWX 9020
EMD
Model GP7
Serial Number 16406
Built April, 1952; rebuilt to GP8, May, 1969;
Refurbished by Midwest Locomotive Services,
Kansas City, Missouri August, 2003
Engine 16-567-BC, s/n 69-C3-1074

LEASE COLLATERAL

Five (5) Locomotives Leases as follows:

1. Lessor: Northern Illinois & Wisconsin Railway Corporation
Lessee: Eastern Berks Gateway Railroad Company
Commencement Date: September 1, 2010
Term: Twenty-four (24) months
Locomotives: NIWX 2581
2. Lessor: Northern Illinois & Wisconsin Railway Corporation
Lessee: Blackwell Northern Gateway Railroad Company
Commencement Date: October 1, 2011
Term: Twenty-four (24) months
Locomotives: NIWX 815
3. Lessor: Northern Illinois & Wisconsin Railway Corporation
Lessee: Simplot Phosphates, LLC
Commencement Date: July 1, 2011
Term: Four (4) years
Locomotives: NIWX 629, NIWX 801

4. Lessor: Northern Illinois & Wisconsin Railway Corporation
 Lessee: Eastern Washington Gateway Railroad Company
 Commencement Date: January 1, 2011
 Term: Seventeen (17) months
 Locomotives: NIWX 375, NIWX 1617, NIWX 2891, NIWX 8924
5. Lessor: Northern Illinois & Wisconsin Railway Corporation
 Lessee: Frick Services, Inc.
 Commencement Date: April 10, 2012
 Term: Four (4) years
 Locomotives: NIWX 9020, NIWX 907

dcblcnb\Joan\no l\memo security agmt 800 6-20-12